

FINAL SHAREHOLDER REPORT



Kit Krazy
November 2016 – February 2016

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PRESIDENT'S REPORT

Our company, **Kit Krazy**, has accomplished nearly all of our goals that we set off to do, and more. We worked extremely hard from when we started in early November until now, to create our success and we could not be more proud.

We developed our three different kits that we ended up selling throughout the semester. We came up with the “student kit,” which contained everything you could possibly need as a high school student from pencils and pens, all the way to gum. The second product we developed was the “movie night kit.” This item was one of our best sellers and caught the attention of most people due to its attractive look and design. What made the customers actually buy the product, however, was the kit itself; one can of coke, one bag of microwave popcorn, six mini chocolate bars and four candies all in one kit. Lastly, we came up with the “Christmas kit.” The “Christmas kit” was by far our biggest seller. It was attractive, cost efficient, and an almost guaranteed success because of the holiday theme. It contained one package of hot chocolate, eight candy canes, and some other minor treats, including two high-end chocolate bites.

Over our first few weeks, we got off to a rather slow start. We began selling on average only one to two products per week. This sparked our first meeting devoted solely to brainstorming sales ideas. It is safe to say that it went superbly.

One of our earlier products – the “Christmas Kit” was a huge success.



Figuring out the pricing was next on the checklist. We settled on \$8.00 per kit as the flat rate, but gave opportunities for the customer to save money. For instance, we allowed our customers to buy 2 for \$15.00 or 3 for \$20.00. We did this in order to increase our overall sales, due to discounts and the convenience of buying things at a \$20.00 price.

In order to sell our products, we had to find people to buy them, and so, we had another company meeting. Within just a few days, we had a number of potential selling opportunities within the area that ended up giving us an entirely new outlook on both our product and our target demographic. We realized that our sales would increase dramatically if we focused on the parents of teenagers that went to our school, rather than just the students themselves. We came to this conclusion because of a number of reasons. For starters, adults have much more

disposable income when compared to their less work-experienced children. Furthermore, we concluded that parents would feel more obligated to purchase a “student kit” for their child in preparation for the new semester, when compared to their children. The last major pro when comparing the adult demographic with the student peer one, is that the parents felt inclined to support our company because we were running our first business and were learning.

At the beginning of our business venture, we decided our goal was to sell 200 units of each kit, resulting in 600 units in total. In the end, we sold 240 units in total. Although we did not



meet our initial goal, we feel as if our time and effort did not go to waste. What we lacked in sales, we made up for in sales experience which is what the entire assignment is based around.

Another goal we created for ourselves was to donate \$100.00 to the Children’s Hospital Foundation of Regina. We chose this charity because a few of our members have been thankful for the work that the hospital has done for some of our families. Reaching this goal is one of the goals we are most proud of meeting.

Our last major goal that we set was that every member of our company would have an amazing experience with *Junior Achievement* and their first real taste of what it is like to run your own company. It is safe to say everyone had a positive experience working with the ever-helpful *Junior Achievement* and our own company, **Kit Krazy**.

We would now like to give a special thank-you to all of the VP’s and members of **Kit Krazy** who allowed this entire company and its success to happen. Each and every member kept the company afloat.

- **Dillon Zimmer:** Dillon Zimmer, the Vice-President of Finance, always focused on our company when he was given the opportunity. Very rarely would you see Dillon off-task, in fact, more often than not, you would most likely see Dillon

multi-tasking in order to help someone else out at the same time as himself because that's the type of worker he is – an essential one.

- **Luke Weber:** Luke Weber was **Kit Krazy's** Vice-President of Human Resources and he played the part perfectly. He took minutes during our meetings, was always on task when it came to attendance, and never hesitated to check in on everyone in our company emotionally. Another viable asset to our company.
- **Kerina Powell:** As Vice-President of Marketing and Sales, Kerina put forth the most time into our company outside of class-time. She devoted her hours outside of class finding sales venues available within the area and expanded our relations with others in the Pilot Butte community. Kerina will be an extremely important part of any company she partakes in.
- **Jon Squire:** Jon was **Kit Krazy's** Vice-President of Information Technology. Jon had a very positive impact on our company as he created much of the posters. Jon always had a positive outlook on the company. At times when sales were low, Jon reassured us that we would get back on our feet and at the very least, get to eat some non-sold candy.
- **Kirsten Pfeifer:** Kirsten Pfeifer, our Vice-President of Production and Safety, worked tirelessly to create the quantity of products we needed to succeed in our sales goals. Oftentimes spending entire class periods producing our renowned kits, Kirsten was yet another vital asset to our company's success.
- **Samuel Reid:** The president of our company, Samuel Reid overlooked everyone's work throughout the semester with attention and admiration. He believes he has each individual member of the company to thank for their untiring work ethic and care they put into the company. Samuel showed immense knowledge of leadership skills to keep the company on task and hard at work.
- **Hailey Reavie:** Our only member, Hailey may have had a more minor role on paper, but when it came down to the company and brainstorming ideas, she excelled past the expectations of a member of finance.

Because we feel as if we met most of our goals over the semester, we have several important guidelines for other *Junior Achievement* companies that are perhaps struggling or need a helping hand. For starters, you have to get your idea out there. Do not just sit in class making products or texting friends about the company. You need to get out into the community and bring the advertisements to the consumers. This will ensure your company is well-known within the area you're selling, and will result in less confusion over what the product is when your business initially begins. Another tip for an aspiring company in need of some helpful tips would be to think big – do not just stay local. You may think that just your school is enough to keep your company afloat, but in reality, the real success lies in upcoming local selling opportunities within the immediate community of where you're situated.

Now I would like to thank everyone who ever helped our company in the success we found over the course of the semester we could not have done it without you. A special thanks to the following.

- **Ms. McFarlen** – Thank you Ms. McFarlen for always being there for us to give great constructive criticism, essentially guiding us through our journey. Thanks for answering our questions with eagerness, and allowing us to use the space in your room to store essential supplies. And once again thanks for taking the time out of your day to ensure our success.
- **Mrs. Strang** – Essentially an extension of our financial team, thank you for keeping tabs on our cash box and our finances throughout the semester. And like always, thanks for lending us your personal time, it means a lot.
- **Mrs. Gardiner** – Thank you for giving us your expertise and knowledge during our beginning weeks, they really kept us on our feet. Not to mention your safekeeping of our cash box.
- **Mrs. Weekes** – Thank you for your aid when our company really needed it, we could not have done what we did without you.
- **Mrs. Elliot** – For letting us use the school's resources without any costs, and giving us help as well as guidelines to follow when we were in need of support.
- **The entire Kit Krazy Team** – Last but not least, thanks to everyone in the company, we all pulled together and surpassed all of our major goals.

MARKETING & SALES REPORT

Throughout operating our venture, we decided to sell and market our products at a variety of events. Such events include a craft show in Pilot Butte, Parent/Teacher interviews at Greenall High school and the Balgonie Elementary school, the GHS musical, a basketball tournament, a Junior Achievement event, as well as selling in the front of our school weekly. Our main marketing tool that we used throughout this experience was social media. We were constantly posting pictures of our products, our team selling our products, and dates and times for when we were selling. One of the marketing issues that we encountered was not selling a lot of product at our school. We had to find a way to really make our booth that we sold at attractive and appealing, so we took advantage of the Christmas theme and dressed up as Christmas Characters, gave away cookies when people purchased our products, and dressed up our table with a Christmas table cloth and Christmas lights.

For social media, we had a Facebook (https://www.facebook.com/groups/488454584662413/?ref=br_rs) and Instagram pages (https://www.instagram.com/kit_krazy/), along with many posters spread throughout our school. Whenever we sold at large events, we received very positive feedback from the public. We repeatedly had people tell us that our product looked very appealing, we were great sales people, and the fact that we are donating a portion of our profit to charity is amazing. Since we were making most of our sales at events, we chose not to spend our capital on further advertisement and continue with our current marketing strategy.

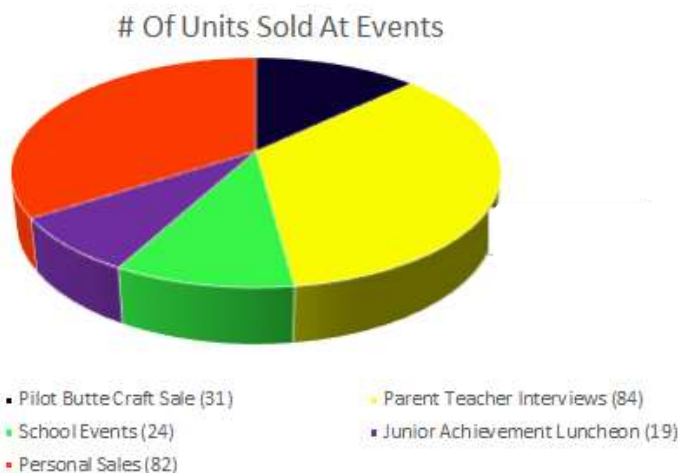
Our company began with a goal of selling 600 units in total, 200 of each kit. We realized that this was a very high goal to reach, and unfortunately, we did not reach it. We all worked endlessly to encourage sales and our hard work rewarded us with selling 240 units in total; which includes 71 movie night kits, 105 Christmas kits, and 64 student kits. As you can see below, we have included a graph that represents our total sales and sales goals. See appendix A for the sales tracking chart.



Our most successful selling strategy was selling at parent/teacher interviews, and making personal sales. The company members told their family members and friends about our business and gained lots of interest in our product. We even had company members taking our products to their parent's work and we made lots of orders as a result. Overall, everyone made a great effort to make personal sales and the events on the side really helped us reach a sales number that we were all pleased with. As you can see below, we have included a graph that represents the total number of units sold at a variety of events, as well as a picture of us selling at a basketball tournament.

One of our marketing strategies that really encouraged sales were the price incentives that we had implemented right from the start. Our customers were able to purchase our products for \$8.00 each, 2 for \$15.00, or 3 for \$20.00. This deal really benefited the people that wanted to purchase a large amount of our product and it also stimulated our sales because most people bought multiple kits.

Near the end of company operations, we had an excess of inventory and we wanted to find a way to maximize our total sales. We implemented many marketing strategies like holding a raffle for our left over Christmas kits and we sold tickets at our school. We also had 10 kits left, so we cut all of our prices down to \$5.00 per kit. We advertised our liquidation as a blowout sale and we even started selling individual inventory such as pop and candy. In the end, we still had some kits left to sell. We decided to donate 1 of the kits to the entrepreneurship class for our teacher to show as an example and the rest of the kits were given to teachers who helped us throughout the venture.



PRODUCTION REPORT

In total, Kit Krazy produced 250 kits. Of those 250 kits produced, we sold 240 of them. The prices for our kits were one for \$8.00, two for \$15.00, or three for \$20.00. The ten kits that were left over were given to various people who helped our venture along the way. During liquidation, we also sold some individual items, such as individual cokes (\$1.00 each), in an attempt to make as much money back at the end as possible. We also sold the remaining cellophane, tape, ribbon, pencil kits, and pencils to the art department for \$5.00 for the lot.

Supplies to make our kits were bought from Dollarama, Dollar Tree, and Safeway. We spent a total of \$1,103.62 on supplies to create the kits. Therefore, we made a total profit of \$864.65. Our Christmas kit costed \$3.51 to produce, the School kit costed \$5.24 to create, and our Movie Night kit costed \$4.05 to produce. A full list of inventory, created by Vice President of Production, Kirsten, can be found at Appendix B.



We produced and sold three different themed kits. Each kit took approximately 30 minutes to create at first, and after more practice, it took 5-15 minutes to produce. Our student kit contained sticky notes, a pen, mints, gum, earbuds, an eraser, a highlighter, and pencils, all in a functional tumbler mug. The Christmas kit had miniature candy canes, Christmas mints, full sized candy canes, hershey kisses, a caramel Russel Stover chocolate, a package of hot chocolate, and a decorative poinsettia, all cellophane-wrapped in a festive Christmas mug. As for our movie night kits, they had microwaveable popcorn, a can of Coca-Cola, miniature Hershey cookies and cream bars, miniature Mars bars, miniature Twix bars, packages of rockets, and tootsie rolls, contained in a cute little popcorn container.

Along the way, our production line came across a couple of issues. Our first problem was that customers felt that the Christmas kit was not nearly full enough. To fix this complaint, our company put our heads together and decided to fill empty space with miniature candy canes. This added very little expense to the production of the kit, and made our customers happy at the same time. Another issue that came up within the production area of the company was that some members of the company felt that they had done more work than others in the company. Our president, Sam, stepped in and solved the conflict by scheduling a company meeting for the next morning to talk about our concerns. The Vice President of Human Resources also scheduled a team building activity for that morning. Due to the hard work of all of the company members, we managed to overcome the conflict within a day or two.

Overall, being a part of Kit Krazy has been a fun experience. Learning to run a business by actually running a business is awesome. Friends were made, and we got to safely experience the hardships of being an entrepreneur with guidance from many business people. I would most

definitely suggest Junior Achievement to anyone who asks in the future, as I have learned a ton, and I wouldn't change my choice to take Entrepreneurship 30 if I could.

HUMAN RESOURCES REPORT

The enormous amount of time and effort each member of our company put in on a daily basis is what allowed us to achieve great success. Our members are all highly motivated individuals that created a positive and dynamic work environment. With all of our members being so highly motivated it allowed us to simplify customer training. In the early stages of Kit Krazy, ideas were constantly being bounced off each other. With all the creativity running around, we easily came up with the idea of our company having three kits; movie night, student, and a seasonal Christmas kit. With all the drive and passion within our members it was easy to be successful.

Our company excelled in two key areas, customer service and production. We started off a bit slow but then figured out how to communicate with each other and our customers. We quickly learned that treating a customer with the upmost respect is a great deal of what our company is about. We'd like to be known as a company that not only has a great product, but also is wonderful to do business with. When we first started out, production would take approximately 30 minutes to create one kit. By the last times we did production it took us only 5 to 15 minutes to create a kit.

With our class holding two companies, we would together do team building activities. One of the activities was called "Tide". The objective of the activity was to get everyone to cross a line at the exact same time. Getting everyone to change pace to match was really difficult. It taught us that you are only as fast as your slowest member. We found that knowledge is really resourceful when it came to production of kits.

Our company did face a few moments of conflict. Our biggest problem was that some members had felt they were doing much more than other members. As a company, problems like this do arise and it is hard to avoid. When this did happen the president stepped in and told conflicting members to take a step back and have a deep breath. A much smaller issue that we had is how high frustration would get. It is extremely hard to get everyone to agree on an idea, or method of doing things. This is when we refer back to our norms of having a majority vote. It played a large part of decision making when we had to start closing-down our company. Deciding if we should go out and buy new product to complete the few remaining kits we had left. We decided against buying the few candy bars we needed and instead just lowered prices of the leftover kits.

As a company we did a lot of selling at school lunch hour, parent-teacher interviews and a craft sale. For each of these opportunities we would take attendance (as we did every day). Doing this initiated a huge sense of responsibility. Each company member was expected to utilize our Facebook group chat to inform all the other members of any absences or lates. This also allowed for members to step in and say they can fill the sales position for the day.

On file, we have every company member's contact information, including cell phone number and email address. As stated above, we had a Facebook group chat that was our best method of communication outside of class. This was very effective in allowing everyone to see what the group had decided on. It was also nice because it allowed us to see if someone had read a message or not.

Our norms we had set when we started doing business were; respect company employees and customers, stay on top of your work, be present in class on a regular basis and if you know you will be absent please make sure other company members are aware of your absence, respect other members opinions, every idea is a good idea. All of these norms were maintained throughout the entire length of our business venture.

We had many different school staff members help us with different tasks. As a thank-you to the different staff members we gave them each two of our leftover kits. It has been greatly appreciated all the additional help we have received from outside members. If we didn't get some of this help it would have made our company more difficult for us to achieve the success we reached.

To keep track of attendance we created a chart and wrote down who was present and on time, and who was missing or would be missing and if they were late how late each individual was.

FINANCIAL REPORT

Kit Krazy's income statement appears below.

Kit Krazy		
Income statement		
for the period ended January 14, 2015		
Revenue		
Retail		
Sales	\$2,095.90	
Liquidation sales	<u>\$22.00</u>	
Total Revenue		\$2,117.90
Expenses		
Jonathon Squire	\$261.63	
Kerina Powell	\$505.55	
Kerry Powell	\$321.51	
Kirsten Pfeifer	\$14.93	
Craftsale Table	\$35.00	
Children's Hospital Foundation donation	<u>\$100.00</u>	
Total Expense		<u>\$1,238.62</u>
Profit		<u>\$879.28</u>
return on investment (between 7 shareholders)		\$125.61

Our retail sales and liquidation sales produced a total profit of \$864.65 with our gross sales reaching \$1,977.90. This is below our goal of a total profit of \$1,640.00. Each shareholder in our company will acquire a return on investment of \$125.61 per \$20.00 share, less than our goal of \$220.00. We set our goal very high at the beginning so we had to work extremely hard to reach it. Although we fell short of our desired profit of \$1,640.00 by \$775.35 we are very pleased with ourselves for reaching over \$800.00.

We concluded the company with \$979.28. When we started Kit Krazy we decided to donate 10% of profits to the Children's Hospital Foundation. However, with our cash being so close to \$1000.00, we decided to give an even \$100.00 which translates to 10.2 percent of our ending cash.

The disbursement of company funds will proceed as directed below.

Cash Balance		\$979.28
Disbursement		
Children's Hospital Foundation	\$100.00	
Share Holders	<u>\$879.27</u>	
Total Dispercements		<u>\$979.27</u>
Ending Balance		\$0.01

INFORMATION TECHNOLOGY REPORT

Kit Krazy effectively and efficiently utilized all technology at our disposal. Utilizing programs and technology that is easily accessible and was essential to our success and efficiency, especially in the financial and marketing department. A **Kit Krazy** Facebook and Instagram pages were formed to reach out to our technologically attached customers and to post information and sales events to our demographic. This was important as it kept our customers up to date and informed of our events and selling opportunities. We also set up a company email (KittKrazy@gmail.com) to reach out and communicate with other members of the business community for promotional and sales purposes. The email was also established for customers to contact us with questions and to place orders for our products. With minor difficulty and experimentation, Google Docs was used to share documents including but not limiting to: schedules, business plan, rough drafts, and financial statements which were referenced previously.

Posters (Appendix D), logos, and advertisements were all constructed by the company's Marketing and Sales department, paired with the Information Technology department using a combination of Adobe Illustrator and Adobe Photoshop. Posters were displayed around our school and on our booths, logos were placed on many of our products, and advertisements were placed in JA events and other out of school selling opportunities. The school's printer allowed us to produce these posters in a cost effective, professional manner.



Our financial department took great advantage of the programs available. Microsoft Excel was used to keep accurate, up to date financial records. These documents were highly effective as they were very easy to use and respond to our ever changing financial statements. Google docs was used to share statements such as the chart of accounts, balance sheets and an income statement between company members with ease. All of these documents were shown in the Financial Department's section of the report.

Marketing and Sales utilized their knowledge of social media; using sites such as Facebook and Instagram the sales team effectively advertised and attracted customers. On Facebook (https://www.facebook.com/groups/488454584662413/?ref=br_rs) the company received 22 likes. On Instagram (https://www.instagram.com/kit_krazy/) the company received 32 followers. On the more technical side, our Marketing and Sales department used Microsoft Word and Google Docs to create charts and documents such as sales tracking sheets (Appendix A) and order forms.

The Production department utilized Google docs solely as their form of document creation. Establishing links from the online archive to mobile devices allowed access and editing no matter location or time which was highly effective for the Production team. Documents such as inventory charts (Appendix B) and shopping lists were shared and constructed in this manner.

Human Resources utilized Microsoft Word extensively to create a number of documents such as attendance sheets (Appendix C), selling schedules, and to record meeting minutes. Upon creation of these documents they were placed on the company Google Docs for all company members to view and comment on.

Appendix A

Sales Tracking Chart

Date sold	Movie Night	Christmas	School	Other (Separate Inventory & Cookies)	Donations	Daily Revenue
November 13, 2015	1					8.00
November 16, 2015	2	7	2			NA
November 17, 2015	3	4	3			NA
November 18, 2015	9	10	3	6	\$20.00	NA
November 23, 2015	4	3	1			\$36.00
November 25, 2015	5	10	2		\$5.05	\$127.05
November 26, 2015	8	9	12			\$204.00
November 28, 2015	11	5	15		\$5.00	\$266.00
TOTAL SALES UP TO DATE	43	48	38	6	\$30.05	\$641.05

December 1, 2015	2	2				\$28.00
December 2, 2015		13		4		\$116.00
December 3, 2015	5	4	3			\$87.00
December 4, 2015	3	2			\$5.00	\$41.00
December 5, 2015		3			\$2.00	\$22.00

December 6, 2015	3	3				\$40.00
December 9, 2015		1	1			\$16.00
December 10, 2015		5	14			\$136.00
December 11, 2015	1	1	2			\$28.00
Sales from ORDERS	25	40	6			


TOTAL	71	105	64	= 240		\$1977.90
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Appendix B

Christmas	No. on Hand	No. per package	No. per Kit	Cost per Kit	Cost per
Hershey Kisses	1	22	3	\$0.29	\$2.10
Hot Chocolate	9	10	1	\$0.25	\$2.50
Russel Stovers	16	6	1	\$0.22	\$1.31
Peppermints	47	40	2	\$0.07	\$1.31
Candy Canes	0	28	2	\$0.15	\$2.10
Mini Candy Canes	22	72	5	\$0.22	\$3.15
Poinsettias	8	5	1	\$0.28	\$1.38
Ribbon	7		$\frac{1}{5}$ of a roll	\$0.28	\$1.38
Mugs	0	1	1	\$1.38	\$1.38
Cellophane	4		$\frac{1}{3}$ of a roll	\$0.37	\$1.10
Totals Cost				\$3.51	
School					
Pencils	23	20	2	\$0.14	\$1.38
Erasers	4	4	1	\$0.28	\$1.10
Pens	2	24	1	\$0.09	\$2.20
Lifesaver Mints	21	38	4	\$0.42	\$2.10

Excel Gum	2	1	1	\$0.81	\$0.81
Earbuds	2	1	1	\$1.38	\$1.38
Sticky Notes	2	3	1	\$0.46	\$1.38
Highlighter	2	5	1	\$0.28	\$1.38
Tumbler	1	1	1	\$1.38	\$1.38
Total Cost				\$5.24	
Movie					
Bag of Popcorn	7	3	1	\$0.44	\$1.31
Mars Bars	0	6	2	\$0.44	\$1.31
Twix Bars	0	6	2	\$0.44	\$1.31
Hershey Bars	1	6	2	\$0.44	\$1.31
Tootsie Rolls	34	21	2	\$0.13	\$1.31
Package of Rockets	28	22	2	\$0.12	\$1.31
Can of Pop	26	24	1	\$0.44	\$10.45
Popcorn Container	6	2	1	\$0.69	\$1.38
Straws	1 bag	180	2	\$0.02	\$1.38
Bags		100	1	\$0.01	\$1.38
Total Cost				\$4.05	

Appendix C

	Monday	Tuesday	Wednesday	Thursday	Friday
Sam					
Kerina					
Kirsten					
Hailey					
Jon					
Dillon					
Luke					

Appendix D

